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September 30, 2011

VIA ELECTRONIC FILING

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Office of Proceedings

SEP 30 2011

Part of
Public Record

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D. C. 20423

Dear Ms. Brown:

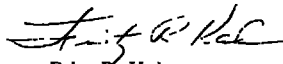
This refers to Docket No. AB-1087X, Grenada Railway L.L.C.--Petition for Abandonment Exemption--in Grenada, Montgomery, Carroll, Holmes, Yazoo and Madison Counties, Miss, and to the request, filed September 29, 2011, by the Mississippi Transportation Commission that an oral hearing be held.

Attached is the Reply of Grenada Railway LLC.

Copies of this letter and of the Reply of Grenada Railway L.L.C this day have been served on the Mississippi Transportation Commission by e-mailing copies to its Special Counsel, Walter Brown, Esq.

If you have any question concerning this filing or if I otherwise can be of assistance, please let me know.

Sincerely yours,


Fritz R. Kahn

cc: Walter Brown, Esq.

SURFACE TRANSPORTATION BOARD

Docket No. AB-1087X

GRENADA RAILWAY LLC
--PETITION FOR ABANDONMENT EXEMPTION--
IN GRENADA, MONIGOMERY, CARROLL, HOLMES,
YAZOO AND MADISON COUNTIES, MISS.

REPLY
OF
GRENADA RAILWAY LLC

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Attorney for

GRENDA RAILWAY LLC

Dated: September 30, 2011

SURFACE TRANSPORTATION BOARD

Docket No. AB-1087X

GRENADA RAILWAY LLC
--PETITION FOR ABANDONMENT EXEMPTION--
IN GRENADA, MONTGOMERY, CARROLL, HOLMES,
YAZOO AND MADISON COUNTIES, MISS

REPLY
OF
GRENADA RAILWAY LLC

Petitioner, Grenada Railway LLC ("GRYR"), on September 20, 2011, filed its Petition for Abandonment Exemption seeking the Board's authorization to abandon the Rail Line therein described. On September 29, 2011, pursuant to 49 C.F.R. §1152.25(d)(6), the Mississippi Transportation Commission ("MTC") requested that the matter be set for oral hearing. GRYR asks that the Board deny MTC's request, and as grounds therefor, states as follows:

MTC¹ does little more than concede that years of planning to create new opportunities for the businesses and industries in economically distressed North Central Mississippi have been unsuccessful even though railroad service has been available. It maintains that a hearing is required to show that abandonment of the Rail Line will severely harm the efforts to improve the area's economic development. A railroad line which is losing money, however, cannot survive on the hopes and expectations of traffic

¹ MTC was sent the section-1152.50(d)(1) notice on September 6, 2011

growth. See, Docket No. AB 415 (Sub-No. 2X), Escanaba & Lake Superior Railroad Company--Abandonment Exemption--in Ontonagon and Houghton Counties, Mich., served September 27, 1010; STB Docket No. AB-512X, Sierra Pacific Industries--Abandonment Exemption--in Amador County, CA, served February 25, 2005, STB Docket No. AB-490 (Sub-No. 1X), Greenville County Economic Development Corporation--Abandonment and discontinuance Exemption--in Greenville County, SC, served October 12, 2005.

MTC does not dispute that there are but five shippers situated on the 81.3-mile Rail Line which GRYR seeks the Board's authority to abandon, which together in all of 2010 accounted for a total of 289 carloads of inbound and outbound freight and during the first six months of 2011, a total of 92 carloads of inbound and outbound freight. MTC does not indicate that it is prepared to introduce evidence to the contrary.

MTC does not dispute that GRYR lost \$100,927 in operating the Rail Line in 2010 and, \$94,674 in the first six months of 2011. MTC does not indicate that it is prepared to introduce evidence to the contrary.

MTC does not dispute that GRYR's lost opportunity cost in not abandoning the Rail Line totals \$2,198,610, which would be available to sustain continued operations on the GRYR's north segment, between Southaven and Grenada. MTC does not indicate that it is prepared to introduce evidence to the contrary.

MTC does not dispute that the 112-foot bridge at Milepost 656.4 is in such a state of disrepair that GRYR felt obliged to embargo it on July 28, 2011, and that the cost of replacing the bridge is estimated to be \$784,000. MTC does not indicate that it is prepared to introduce evidence to the contrary.

MTC does not dispute that its railroad line between Aberdeen Junction and Koscuisco for years has been used only for the storage of cars and has yielded GRYR no revenue. MTC does not indicate that it is prepared to introduce evidence to the contrary.

As the Board stated in its Decision in STB Docket No. AB-564, Camas Prairie Railnet, Inc.--Abandonment--in Lewis, Nez Perce and Idaho Counties, ID (Between Spalding and Grangeville, ID), served June 29, 2000:

[N]o one has cited any unique technical issues here that cannot be resolved on the basis of a written record. And vigorous public opposition can be expressed in writing, as it is clear that it will be in this proceeding. We believe that a full and fair treatment of the issues in this proceeding can and will be had on the basis of a written record.

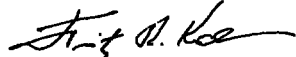
Accord, Docket No. AB 415 (Sub-No. 2X), Escanaba & Lake Superior Railroad Company--Abandonment Exemption--in Ontonagon and Houghton Counties, Mich., served September 27, 2010; STB Docket AB-33 (Sub-No. 132X), Union Pacific Railroad Company--Abandonment Exemption--in Rio Grande and Mineral Counties, CO, served May 3, 2005.

WHEREFORE, Mississippi Transportation Commission² having failed to establish why the Petition for Abandonment Exemption of Grenada Railway LLC cannot be decided on a written record and that a hearing is required, its request should be denied

Respectfully submitted.

GRENADA RAILWAY LLC

By its attorney,



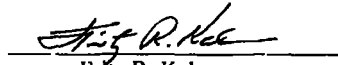
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Tel.: (202) 263-4152

Dated: September 30, 2011

CERTIFICATE OF SERVICE

I certify that I this day have served Mississippi Transportation Commission with a copy of the foregoing Reply of Grenada Railway LLC by e-mailing a copy to its Special Counsel, Walter Brown, Esq., at wlawfirm@bellsouth.net.

Dated at Washington, DC, this 30th day of September 2011.


Fritz R. Kahn

² MTC mistakenly asserts that the Gloster Southern Railroad Company LLC has been abandoned. See, STB Docket No. AB-1051X, Gloster Southern Railroad Company LLC--Discontinuance of Service Exemption--in Amite and Wilkinson Counties, MS and East Feliciana Parish, LA, served December 14, 2009. Such ties as have been removed from that line have been installed in the GRYR's north segment, between Southaven and Grenada, at a cost of nearly half a million dollars.